

SECTION C
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C.1 Section C
Introduction

C.1.1. This contract is in support of the TRICARE Retail Pharmacy (TRRx) program, a system for the acquisition, delivery, and distribution of prescriptions by the Department of Defense (DoD) on behalf of its beneficiaries through the Government and a contracted Pharmacy Benefits Manager (PBM) with a retail pharmacy network. Department of Defense funds, either appropriated or derived from the DoD Medicare-eligible Retiree Health Care Fund, will be used by the PBM to pay for all TRICARE prescriptions and the PBM will be paid negotiated fees for performance of all administrative services under the contract, including providing the retail pharmacy network and functioning as a fiscal intermediary for DoD. The PBM fees will not be related directly or indirectly to DoD's acquisition costs of pharmaceuticals under Section 603 of the Veterans Health Care Act of 1992 or Section 201(a) of the Federal Property and Administrative Services Act of 1949. The PBM will issue DoD funds to pay for each TRICARE prescription after receiving the Government's verification of the individual beneficiary's eligibility and authorization for payment. Therefore, DoD will be acquiring covered drugs and procuring them for the use of the Federal Government with DoD funds.

C.1.2. Pharmacies and the pharmacy network shall be maintained and monitored in accordance with Federal and State laws.

C.1.3. The contractor shall comply with the policies specified in the TRICARE Policy Manual 6010.54-M at Attachment 1, Section J, including all changes.

C.1.4. The contractor shall use the Pharmacy Data Transaction Service (PDTS) to verify eligibility, search for Other Health Insurance (OHI) information, and check and update the Central Deductible and Catastrophic Cap (CDCF) file. PDTS also supports Drug Utilization Review and adverse drug interaction screenings.

C.1.5. The contractor shall coordinate activities, such as transitions and marketing, through the Contracting Officer, with other TRICARE contracts including the TRICARE Mail Order Pharmacy Contract, and the regional Managed Care Support Contracts.

C.1.6. The contractor shall not negotiate or collect any rebates or vendor charge-backs of any type from pharmaceutical manufacturers on behalf of the Government or itself in regard to the services performed under this contract.

C.2. Definitions. Definitions are listed at Attachment 2, Section J of this contract.

C.3. Statement of Objectives. The statement of objectives represents the desired outcomes of this contract. The objectives are supported by technical requirements throughout Section C. The objectives are as follows:

C.3.1. Provide comprehensive retail pharmacy services to all DoD beneficiaries living in the 50 United States, the District of Columbia, Guam, Puerto Rico and the U.S. Virgin Islands.

C.3.2. Achieve the highest level of beneficiary satisfaction possible through the provision of beneficiary friendly, high quality, professional retail pharmacy services.

C.3.3. Provide retail pharmacy services in the most economical manner possible while adhering to the highest standards of retail pharmacy practice.

C.3.4. Establish and maintain on-going, open, and productive communication between the Government, the contractor, and other appropriate parties.

C.3.5. Ensure retail pharmacy services delivered under this contract result in minimal disruption to DoD beneficiaries during transition and throughout the life of contract.

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C.4. TRICARE Pharmacy Information Card.

C.4.1. The contractor shall provide each beneficiary with a wallet sized TRICARE Pharmacy Information Card providing the instructions and the information necessary for a retail pharmacy to submit a claim to the TRRx contractor. The information card shall contain a summary of the TRRx program and the contractor's contact information, consistent with the guidance provided by National Council for Prescription Drug Programs (NCPDP) in its Implementation Guide, Health Care Identification Card, Pharmacy ID Card, Version 1, Release 7, published October, 2002. The card shall not contain any beneficiary specific information. The TRRx program information shall be on one side, and information provided by the Government on the TRICARE Mail Order Pharmacy shall be placed on the reverse side. This information card is for informational purposes only and does not grant TRICARE eligibility.

C.4.2. The card shall be made of a durable, wrinkle resistant material. Quarterly, the contractor shall mail this information card to new eligible beneficiaries within 30 calendar days of receiving a list of new eligible beneficiaries from the Government. Throughout all option periods, supplies of TRICARE Pharmacy Information Cards shall also be furnished to TRICARE Service Centers (TSC) and Military Treatment Facilities (MTF) as part of the marketing effort in cooperation with TRICARE Management Activity (TMA) Communication and Customer Service Directorate (C&CS).

C.5. TRRx Network

C.5.1. The contractor shall establish and maintain a TRRx network throughout the 50 United States, the District of Columbia, Guam, the U.S. Virgin Islands and Puerto Rico.

C.5.2. All network pharmacies shall be fully licensed and certified in accordance with applicable Federal and State laws, credentialed according to the contractor's criteria, and have a National Council for Prescription Drug Programs (NCPDP) number. Pharmacies providing pharmaceuticals solely through Internet or mail order pharmacies shall not be included in the TRRx network. Specialty pharmacy services may be provided through the mail. Retail pharmacies who offer to mail prescriptions to beneficiaries as part of their business may be included in the network, subject to retail pharmacy quantity limitations defined by the TRICARE benefit.

C.5.3. As part of its network, the contractor shall provide access to specialty pharmacy services, e.g., compounded prescriptions or pharmaceuticals requiring specialized distribution processes. All network specialty pharmacies shall submit claims electronically, and be reimbursed by the contractor according to the applicable network agreement.

C.5.4. The contractor shall provide assistance to network pharmacies through the contractor's pharmacy help desk in accordance with its commercial practice. The contractor shall coordinate with the Government for those inquiries that require Government input.

C.6. TRRx Network Agreements. The contractor shall ensure that the following requirements are included in their TRRx network agreements:

C.6.1. At a minimum, provide TRICARE beneficiaries the same level of services provided to beneficiaries of other commercial clients to the extent allowed by Federal regulation and TRICARE policy.

C.6.2. All pharmacies shall maintain a process to document receipt of the medication by the beneficiary or the beneficiary's authorized agent.

C.6.3. The contractor shall ensure that TRRx network pharmacies collect beneficiary co-pays in accordance with 32 CFR 199. The contractor shall reimburse pharmacies in accordance with its network agreements. The contractor shall not collect any additional types of fees, rebates, discounts, or premiums

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specific to processing TRICARE prescriptions other than recoveries resulting from audits of network pharmacies.

C.7. TRRx Network Access Standards. The contractor shall maintain a pharmacy network which minimizes the number of eligible beneficiaries who will have to change pharmacies to use the offeror's proposed TRRx network. The network will be monitored using the reports in Section F.2.3. The contractor shall maintain a pharmacy network sufficient to meet the following minimum beneficiary access standards on an overall basis:

C.7.1. Urban: a pharmacy within two miles of 90% of the beneficiaries;

C.7.2. Suburban: a pharmacy within five miles of 90% of the beneficiaries;

C.7.3. Rural: a pharmacy within fifteen miles of 70% of the beneficiaries.

C.8. TRRx CLAIMS.

C.8.1. The contractor shall accept and process all claims received from network and non-network pharmacies, and from beneficiaries for pharmaceuticals and supplies furnished in the 50 United States, the District of Columbia, Guam, the U.S. Virgin Islands and Puerto Rico. Pharmaceutical claims received for pharmaceuticals and supplies furnished in other locations shall be forwarded to the TRICARE contractor responsible for processing claims for those locations. The contractor shall ensure that each claim passes administrative claim processing edits as defined in the TRRx PDS Interface Control Document (ICD) at Attachment 4, Section J. The contractor shall use the data provided by Defense Enrollment Eligibility Reporting System (DEERS) through PDS to calculate beneficiary co-pay amounts and to determine the appropriate bank account from which to pay pharmacy claims, i.e., the Department of Defense Medicare Eligible Retiree Health Care bank account or the TRICARE bank account. The data from DEERS to calculate the co-pay amounts shall be provided to the contractor at the time filling the prescription is authorized. The demographic data from DEERS necessary to determine the appropriate bank account will be provided to the contractor two calendar days before PDS submits the TRICARE Encounter Data (TED) record to TMA. The contractor shall match the DEERS data to the claim records, and provide the account data back to PDS to be included in the TED record within one calendar day of receipt of the demographic data.

C.8.2. Claims for prescriptions filled but not dispensed (noncompliant) shall be reversed within ten calendar days of the date the original claim was submitted.

C.8.3. The contractor shall implement a recoupment program in accordance with Attachment 3, Section J to recoup erroneously paid Government funds. Prescriptions subject to recoupment may be identified by the Government, or by the contractor through its audit procedures.

C.8.4. In addition to Government data requirements specified herein, in Section F, and in Section J, the contractor shall provide the Government read-only access to its claims system to facilitate Government beneficiary service support. Access will be provided beginning not later than the start of Option 1 and continue to contract completion.

C.8.5. For denied prescriptions, the contractor shall provide the pharmacy with the reason for the denial and an address and telephone number where the beneficiary may contact the contractor for additional information or appeal the denial in accordance with the requirements at C.16.3.4. "Appeals Plan".

C.8.6. The contractor is responsible for identifying and correcting any claims processing errors leading to the correction or adjustment of TRICARE Encounter Data records in accordance with the requirements specified in Section G.

C.8.7. The contractor shall ensure the availability of DD 2642 claim forms to be used by beneficiaries. The contractor shall coordinate with the Managed Care Support Contractors (MCSC) to ensure the availability of the DD 2642 claim form at the TRICARE Service Centers. The contractor shall also make the form

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available for downloading from its TRRx web site. Paper claims for non-network pharmacy services shall be reimbursed at billed charges minus co-pay and applicable deductible. The contractor shall receive paper claims from beneficiaries who use non-network pharmacies, or from beneficiaries submitting OHI claim balances, i.e. split-billing. Paper claims for OHI claim balances shall be processed to reimburse the beneficiary's personal liability of the balance remaining after the OHI has paid, up to the amount that would have been covered by TRICARE in the absence of OHI. The contractor shall enter these claims into its claims payment system for processing and submittal of required data to PDTS. The contractor shall be held to the same standards for data quality specified in the PDTS ICD as established for electronic claims.

C.8.8. TRRx Claims Processing Standards

C.8.8.1. 99% of electronic claims shall be processed to completion within five seconds of receipt, measured on a monthly basis. This processing time is exclusive of the time the transaction is being processed at PDTS.

C.8.8.2. 100% of electronic claims shall be processed to completion within five working days of receipt, measured on a monthly basis.

C.8.8.3. 95% of paper claims shall be processed to completion within ten working days of receipt, measured on a monthly basis.

C.8.8.4. 100% of paper claims shall be processed to completion within 20 working days of receipt, measured on a monthly basis.

C.9. Other Health Insurance. If the beneficiary has an OHI pharmacy benefit, TRICARE will pay secondary to that OHI or any other OHI with a pharmacy benefit, except where a beneficiary is covered by a state Medicaid plan, in which case TRICARE is primary payer. Where TRICARE is not the primary payer, PDTS will indicate OHI is present and the contractor will deny the prescription for primary payment by TRICARE. Following payment by the beneficiary's OHI, the beneficiary may choose to submit a paper claim to the contractor for any remaining balance and/or OHI co-pay. The DD 2642 claim form must include documentation from the OHI indicating the amount paid by the OHI and the patient's personal liability for any unpaid amount. The contractor shall accept beneficiary documentation showing the beneficiary does not have OHI coverage and forward the documentation to the PDTS Customer Service Center.

C.10. Databases. The contractor shall ensure that all contractor reference database files are maintained and updated within five business days of the most recently published update. Those files include but are not limited to DEA provider files, Medispan, First Data Bank, Micromedex, HCIdex, and National Council for Prescription Drug Program (NCPDP) provider file. These database files are not subject to Privacy Act records keeping and management requirements.

C.11. Prior Authorizations. The Government may, through the DoD Pharmacy and Therapeutics (P&T) Committee, designate certain drugs that require Prior Authorization prior to being dispensed. The Government will provide its own criteria or ask the contractor to propose Prior Authorization criteria for review, modification and adoption by the Government. All Prior Authorization criteria are subject to DoD P&T Committee approval. The contractor shall not deny any claim without first submitting to PDTS to determine whether a previously approved authorization is on file. The contractor shall accept prescriber-completed Prior Authorization request forms from beneficiaries, physicians and pharmacies by electronic or hardcopy media. Telephonic Prior Authorization reviews shall only be completed with prescribers. The contractor shall review the requests and approve or deny them in accordance with Government-approved Prior Authorization criteria. The contractor shall submit all Prior Authorization approvals and denials into PDTS as described in the TRRx PDTS Interface Control Document (ICD) at Attachment 4, Section J. The contractor shall complete reconsiderations of initial determinations and complete appeals in accordance with the requirements at C.16.3.4 "Appeals Plan".

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C.11.1. Prior Authorization Standards

C.11.1.1. Measured on a monthly basis, 95% of all Prior Authorization requests shall be completed and notification sent to the beneficiary and provider within two working days of receipt of a properly completed Prior Authorization request.

C.11.1.2. Measured on a monthly basis, 100% of all Prior Authorization requests shall be completed and notification sent to the beneficiary and provider within five working days of receipt of a properly completed Prior Authorization request.

C.12. Medical Necessity Determinations

C.12.1. Upon request by the beneficiary, the contractor shall use Government-provided criteria to determine whether Medical Necessity substantiates the need to provide the beneficiary a non-formulary drug at the formulary co-pay. The contractor shall accept prescriber-completed information from beneficiaries, physicians and pharmacies by electronic or hardcopy media. Telephonic information shall only be accepted from prescribers. Medical Necessity determinations shall be completed by physicians, pharmacists, registered nurses, or physician assistants.

C.12.2. The contractor shall submit all Medical Necessity Determination approvals and denials into PDTS as described in the PDTS ICD at Attachment 4, Section J. The contractor shall complete reconsiderations of initial determinations and complete appeals in accordance with the requirements at "Appeals Plan" below.

C.12.3. Medical Necessity Determination Standards

C.12.3.1. Measured on a monthly basis, 95% of all Medical Necessity determination requests shall be completed and notification sent to the beneficiary and provider within two working days of receipt of a properly completed Medical Necessity request.

C.12.3.2. Measured on a monthly basis, 100% of all Medical Necessity determination requests shall be completed and notification sent to the beneficiary and provider within five working days of receipt of a properly completed Medical Necessity request.

C.13. Clinical Services Reporting Requirements: The contractor shall document (in electronic format) all Prior Authorization and Medical Necessity Determination requests and compile a monthly report of all actions that explains the reasons for denials, differentiated between initial denials and denials on appeal. The contractor shall maintain a process to consistently determine initial beneficiary appeals in order to ensure proper application of the Prior Authorization and Medical Necessity criteria and identify opportunities for improvement. The schedule for clinical services reports are detailed at Section F.2.6. for Prior Authorization and Section F.2.7. for Medical Necessity Determinations.

C.14. Information Technology

C.14.1. The contractor shall transmit and receive messaging using NCPDP Version 5.1. compliant systems. The contractor shall implement future versions as coordinated with PDTS.

C.14.2. The PDTS ICD referenced at Attachment 4, Section J, specifies the accreditation and certification requirements that shall be met by the contractor.

C.14.3. Errors in the transmission of TED records between PDTS and TMA will be corrected by PDTS.

C.14.4. The contractor shall provide a TRICARE Encounter Provider Record (TEPRV) for all retail pharmacies providing services to beneficiaries under this contract. The contractor shall submit new or updated TEPRV Records as necessary, ensuring these records pass the TMA edits, and perform all

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maintenance transactions to ensure proper processing of TRICARE Encounter Data records by TRICARE. This data file shall include the data elements specified in, and formatted in accordance with TRICARE Systems Manual 7950.1-M (TSM) at Attachment 5, Section J. Attachment 5, Section J also provides instructions for transmitting TEPRV Records to TMA.

C.14.5. The contractor shall operate systems of records in support of the Department of Defense (DoD) TRRx program which will require obtaining, maintaining, and using sensitive and personal information strictly in accordance with controlling laws, regulations, and DoD policy.

C.14.5.1. The contractor information systems/networks involved in the operation of TRRx program systems of records shall be safeguarded through the use of a mixture of administrative, procedural, physical, communications, emanations, computer and personnel security measures that together achieve the same requisite level of security established for DoD information systems/networks for the protection of information referred to as "Sensitive Information" (SI) and/or "Controlled Unclassified Information." The contractor shall provide a level of trust which encompasses trustworthiness of systems/networks, people and buildings that ensure the effective safeguarding of SI against unauthorized modification, disclosure, destruction and denial of service.

C.14.5.2. The contractor, as a business associate of TRICARE under the terms of the contract (see Sections H.3. and H.4. and Attachment 6, Section J), shall also be compliant with the Health Insurance Portability and Accountability Act (HIPAA) as implemented by the Department of Health and Human Services (DHHS) final rule on Health Insurance Reform: Security Standards (45 Code of Federal Regulations Parts 160, 162, and 164), effective April 21, 2003. Although the compliance date established by the DHHS final rule is April 21, 2005, the contractor shall be in compliance with the requirements of the final rule at the start-work date of this contract.

C.14.6. Information System (IS)/Networks Certification and Accreditation. The contractor IS/networks shall comply with the Certification and Accreditation (C&A) process (see definition at Attachment 2, Section J) established under the DoD Information Technology Security Certification and Accreditation Process (DITSCAP) for safeguarding SI accessed, maintained and used in the operation of systems of records under this contract.

C.14.6.1. RESERVED

C.14.6.2. The DITSCAP is the standardized approach to the C&A process within DoD. Each IS/network that undergoes DITSCAP must have required security controls in place, must have documented the security components and operation of the IS/network and must successfully complete testing of the required security controls. The contractor shall ensure DITSCAP documentation is available for review and is accurate. Each contractor IS/network must also comply with the requirements for Information Assurance Vulnerability Management (IAVM) to ensure that the security posture is maintained. Guidance regarding the requirement for IAVM is contained in the DoD Information Assurance Vulnerability Alert (IAVA), 30 December 1999 (Attachment 7, Section J) while implementation is addressed in the "DISA IAVA Process Handbook, Version 2.1, 11 June 2002" (Attachment 8, Section J).

C.14.6.3. The contractor shall execute the DITSCAP process by providing, for receipt by the Contracting Officer within thirty (30) calendar days following contract award, the required documentation necessary to receive an Approval to Operate (ATO), and making their IS(s)/networks available for testing. The contractor shall be required to mitigate the vulnerabilities identified for correction during the risk assessment process. These requirements shall be met before interconnecting with any DoD information system or network is authorized. The Military Health System (MHS) DITSCAP Checklist (Attachment 9., Section J) is provided for assistance regarding meeting the DITSCAP requirements. Reference material and DITSCAP tools can be obtained at http://www.tricare.osd.mil/tmis_new/ia.htm

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C.14.7. Information Systems (IS)/Networks Physical Security. The contractor shall employ physical security safeguards for IS/Networks involved in the operation of TRRx program systems of records to prevent the unauthorized access, disclosure, modification, destruction, use, etc., of sensitive information (SI) and to otherwise protect the confidentiality and ensure the authorized use of sensitive information (SI). In addition, the contractor shall support a Physical Security Audit performed by the Government of the contractor's internal information management infrastructure using the criteria from the Physical Security Audit Matrix (Attachment 10, Section J). The contractor shall correct any deficiencies identified by the Government of the contractor's physical security posture.

C.14.8. Information Systems (IS)/Networks Personnel Security. The contractor shall achieve the same level of trustworthiness of personnel who have access to IS/Networks involved in the operation of TRRx program systems of records as required for Government personnel requiring similar access to DoD information technology systems and networks containing sensitive information (SI) (See Appendix 6, DoD 5200.2-R, June 2002 (draft) Positions Requiring Access to DoD Information Technology (IT) Systems and Networks at http://www.tricare.osd.mil/tmis_new/ia.htm). To ensure the trustworthiness of personnel with access to DoD systems/data the contractor will classify Information Technology (IT) or related positions, submit appropriate paperwork for background investigations, ensure individuals receive requisite training, and document compliance. Personnel background investigations and training must be initiated before access to DoD IS/networks or DoD SI is allowed for operation of contractor IS/Networks. The website listed above will provide additional guidance to support this effort. All contractor employees with access to SI that is maintained in contractor owned and operated IT systems that have no interconnection (including data feeds) with Government IT systems or networks, shall complete the appropriate background check for IT-III level personnel comparable to that described in the referenced Appendix 6 to DoD 5200.2-R unless the contractor proposes, and the contracting officer approves, other alternative safeguards appropriate to mitigate the risks associated with the loss/misuse or unauthorized access to or modification of the SI.

C.15. Marketing and Education

C.15.1. The contractor shall provide monthly updates to TMA Communications and Customer Service (C&CS) for inclusion in marketing and education materials, e.g., pharmacy network changes, educational materials, or other items of interest to the beneficiaries. The delivery schedule for these monthly updates is provided at section F.2.9.

C.15.2. The contractor shall complete a Memorandum of Understanding (MOU) with the TMA C&CS for future marketing and educational materials requirements (subsequent to the initial mailing described at C.20.2.) and the submission of pharmacy updates to be included in TRICARE educational materials. Delivery of the MOU shall be in accordance with section F.2.10. Following the initial development and mailing by the TRRx contractor, TMA C&CS will develop and provide materials for distribution by the contractor or the appropriate Managed Care Support contractor in accordance with the MOU.

C.16. Management

C.16.1. In addition to the security requirements for contractor information systems/networks under Section C.14. above, the contractor shall also operate TRRx program systems of records strictly in accordance with controlling laws, regulations, and DoD policy on confidentiality and privacy of individually identifiable information as referenced in Attachment 6, Section J. The contractor shall also provide and document necessary and appropriate training of all workforce members (e.g., all employees, volunteers, trainees, and other persons who conduct and perform work for the contractor) in the proper handling and safeguarding of this information.

C.16.2. The contractor shall support ongoing management interaction between the Government and the contractor. The contractor shall identify points of contact for contractual and business issues, administrative support including pharmacy

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issues and information technology issues. Clinical support shall be provided by the contractor to support the Government in the Pharmacy and Therapeutic Committee process, utilization management initiatives, benefit design and utilization review. The DoD P&T committee meets on a quarterly basis for approximately three days. The contractor shall have a process in place to support the implementation of TRICARE (client) specific operating procedures throughout the life of the contract.

C.16.3. The contractor shall comply with its plans listed below and incorporated herein:

C.16.3.1. Quality Assurance Plan. The contractor shall implement a Quality Assurance Plan that will identify areas for improvement, implement changes, and measure the successes or failures of the changes implemented. The quality assurance plan shall also describe pharmacy audit procedures.

C.16.3.2. Fraud and Abuse Detection Plan. The contractor shall implement a Fraud and Detection Plan in accordance with 32 CFR 199.9 (except for paragraph e), and Attachment 11, Section J.

C.16.3.3. Disaster Recovery Plan. The contractor shall implement a Disaster Recovery Plan effective at the beginning of Option Period 1, to ensure that TRRx services shall not be disrupted for more than 24 consecutive hours throughout the life of the contract.

C.16.3.4. Appeals Plan. The contractor shall implement and maintain an appeals process available to beneficiaries in the event of denied claims, including Prior Authorization denials and Medical Necessity Determination denials, in accordance with 32 CFR 199.10, 32 CFR 199.15, and Attachment 12, Section J. The reconsideration determination shall advise the appealing party of any further appeal rights they might have under 32 CFR 199.10 and/or 32 CFR 199.15.

C.16.4. The contractor shall establish and implement a training plan to ensure that its staff and subcontractors (if any) are thoroughly trained and knowledgeable regarding the requirements of the TRRx program and its administration under this contract.

C.17. Legal Matters. The contractor shall provide immediate telephonic notice, followed by written notice to the TMA Office of General Counsel within three calendar days, of receipt of any civil or criminal complaints or subpoenas filed against it in any judicial or administrative tribunal pertaining to services under this contract. For informational purposes only, the contractor shall provide written notice to the Contracting Officer of any civil or criminal complaints or subpoenas filed against any network pharmacy within seven days of when the information first becomes known to the contractor.

C.18. Records Management. All contractor records generated under this contract, as specified in Attachment 13, Section J, shall be maintained in accordance with 36 CFR 1222.48 and Attachment 13, Section J, entitled "Records Management." The contractor shall identify its Records Manager to the Contracting Officer within ten calendar days of award. Following contract award, the contractor shall schedule its Records Manager to attend the next available TMA records management class presented annually in Denver, Colorado. The Records Manager will be required to attend the course annually thereafter. This is a five-day course.

C.19. Beneficiary (member) Services. The contractor shall implement a beneficiary service unit using personnel whose primary responsibility is to provide responsive beneficiary support for the TRRx account.

C.19.1. The contractor shall provide TRICARE beneficiaries with toll free telephone numbers to call for assistance throughout the 50 United States, the District of Columbia, Guam, Puerto Rico and the U.S. Virgin Islands. Where the contractor cannot resolve a specific issue which does not relate to a functional requirement under this contract it will identify and transfer the caller to other beneficiary (member) services or Government offices as required,

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including, but not limited to the TRICARE Mail Order Pharmacy, Managed Care Support Contractor(s), TRICARE Service Centers, Military Treatment Facilities Health Benefits Office, or the PDS Customer Service Center. The contractor's representative shall remain on the line until the call is properly transferred to the appropriate representative. Beneficiary (member) service centers shall be staffed to meet or exceed contract requirements stated below. At a minimum, the beneficiary (member) service center shall operate from 0700 ET to 2400 ET Monday through Friday. The center shall operate, at a minimum, from 0900 to 2100 ET on weekends and holidays.

C.19.2. The contractor may use an Automated Response Unit (ARU) to receive beneficiary calls. The contractor shall provide beneficiary service to non-English speaking and hearing impaired beneficiaries. If calls are received by an ARU, 100% of all telephone calls shall be acknowledged within 20 seconds and the caller shall have only two menu choices, 1) transfer to an ARU, or 2) transferred to an individual.

C.19.3. The contractor shall ensure the necessary number and type of personnel are available during all hours of operation of the Beneficiary Service Center to answer TRICARE beneficiary questions.

C.19.4. Telephone Response Standards. When a caller requests to speak with a beneficiary service representative, the connection will be made within 30 seconds, 95% of the time.

C.19.5. Written Correspondence. The contractor shall respond to all written correspondence in accordance with the contractor's guaranteed performance standards.

C.19.5.1. Priority Written Inquiries (Congressional, ASD(HA), And TMA)

All priority written inquiries shall be stamped with the actual date of receipt within one workday of receipt in the contractor's custody. The contractor shall provide final responses to priority written inquiries as follows:

- 95% within 10 calendar days of receipt;
- 100% within 30 calendar days of receipt.

C.19.6. Website. The contractor shall provide a dedicated TRICARE Retail Pharmacy page on its website to include an explanation of the TRRx, beneficiary center service phone numbers, hours of operation, mailing and email addresses. The website shall provide the TRICARE formulary alternative for non-formulary drugs, to include, where applicable, the preferred agent. The web site shall provide a link to the TMA pharmacy web site, the TMOP web site, and the regional Managed Care Support Contractors' web sites. The web site shall also provide the ability to locate network pharmacies by zip code, and the ability to view and download Prior Authorization forms and criteria.

C.20. Contract Phase-In.

C.20.1. Phase-in begins at contract award. The contractor shall complete all phase-in efforts in accordance with the Contracting Officer approved transition plan and be prepared to begin contract performance no later than 180 calendar days after contract award. Completed phase-in efforts shall include a clear demonstration that network provider agreements have been executed and loaded into the contractor's systems, all PDS connectivity has been successfully tested, that PDS certification has been obtained, and that any necessary Memoranda of Understanding with TMA C&CS, other TRICARE contractors, such as Managed Care Support Contractors, have been executed.

C.20.2. The contractor shall prepare, and distribute an initial mailing to eligible TRICARE beneficiaries who have filled prescriptions through a retail pharmacy within the 12 month period prior to the date of the initial mailing. The mailing shall be coordinated with the Contracting Officer or designee, and shall describe the benefit, identify the nearest network pharmacies, and provide

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contractor contact information and a TRICARE Pharmacy Information Card (specified in Section C.4.). The mailing shall also include one copy of the DD Form 2642. The contractor shall submit all materials developed for the initial mailing to the Contracting Officer for approval prior to printing. Printing of the material shall be accomplished in accordance with the MOU between the contractor and C&CS discussed at Section C.15.2. This mailing shall be distributed to beneficiaries 30 to 40 calendar days prior to the start of pharmacy services. The schedule for activities associated with the initial mailing is provided at section F.2.8.

C.20.3. The contractor shall submit a TRRx Weekly Status Report of TRRx phase-in and operational activities to the TMA Contracting Officer. The status report shall address those items identified as being key to the success of the transition as identified in the start-up plan.

C.21. Contract Phase-Out.

C.21.1. Upon award of any subsequent contract, the incumbent TRRx contractor shall transition activities to the incoming contractor with minimal disruption of services to the beneficiaries. The TRRx contractor shall maintain sufficient qualified staff to meet all requirements of the contract, including beneficiary services. The TRRx contractor shall submit a written phase-out plan to the TMA Contracting Officer 180 calendar days prior to the expiration of this contract. The plan shall detail phase-out activities to assure continuity of operations and the execution of a smooth and timely transition. The TRRx contractor shall establish a Memorandum of Understanding with the incoming contractor, 150 calendar days prior to the expiration of this contract, detailing mutual responsibilities necessary to complete the transition. Phase-out activities will be coordinated through the Contracting Officer.

C.21.2. At the time of transition from this TRRx contract to a follow-on contract, the outgoing contractor shall submit a weekly status report of phase-out activities to the Contracting Officer beginning the 30th calendar day following the award of a successor contract until otherwise notified by the Contracting Officer to discontinue. This shall be done in accordance with specifications of the official transition schedule.